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INTELLIGENCE MEMORANDUM

FOREIGN SHIPPING TO NORTH VIETNAM
IN JULY 1966

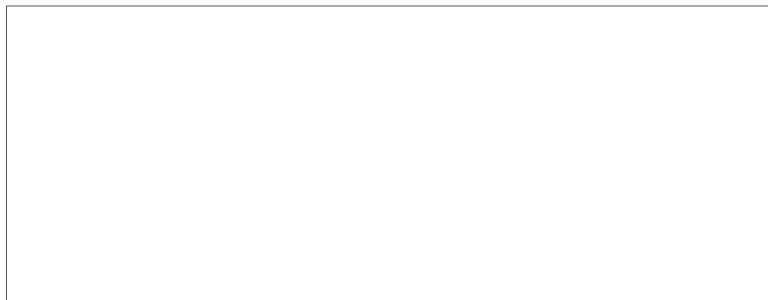
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FOREWORD

The data in this memorandum are preliminary and subject to modification as additional information becomes available. Significant changes may occur in data on ship arrivals and cargoes from Communist China and, to a lesser extent, in data on cargoes carried by ships of the Free World. All data on cargoes carried are expressed in metric tons. Data on Soviet and Eastern European ship arrivals and cargoes and on Free World ship arrivals are not likely to be changed significantly. As required, changes will be reported in subsequent memoranda.

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FOREIGN SHIPPING TO NORTH VIETNAM
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Summary

Highlights of North Vietnam's seaborne trade in July were:

- a new high volume of Soviet ships and cargoes
- the reduction of Free World shipping to a single call
- the disruption of seaborne deliveries of petroleum
- a continuing decline in coal shipments from Cam Pha
- the resumption of apatite exports**

Twenty-seven foreign merchant ships called at North Vietnam in July, including 13 Soviet dry cargo ships, the largest monthly total on record (see Figure 1). Only one call was made by a Free World ship, but Chinese Communist and Eastern European ships arrived in near-normal numbers as shown below:

	1966		Monthly Averages	
	June	July	1965	January-June 1966
Total	<u>29</u>	<u>27</u>	<u>44</u>	<u>34</u>
Communist	<u>24</u>	<u>26</u>	<u>23</u>	<u>25</u>
USSR	12	13	7	11
Eastern Europe	3	3	4	3
Communist China	9	10	12	11
Free World	<u>2</u>	<u>1</u>	<u>21</u>	<u>2</u>
United Kingdom	1	1	11	6
Other	4	0	10	3

* This memorandum was produced by CIA. Aside from the normal substantive exchange with other agencies at the working level, this memorandum has not been coordinated outside CIA. It was prepared by the Office of Research and Reports; the estimates and conclusions represent the best judgment of the Directorate of Intelligence as of 19 August 1966.

** For details on ship arrivals and the type and distribution of cargo, see Tables 1, 2, 3, and 4.

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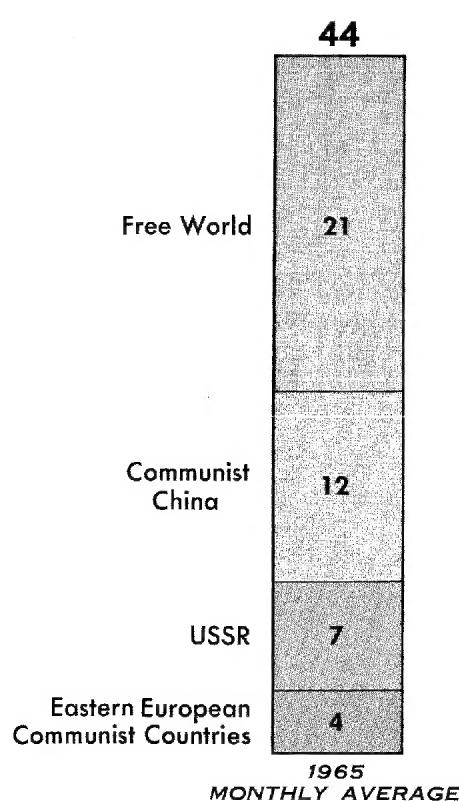
Identified seaborne imports of goods other than POL reached the record volume of 80,500 tons, 76 percent of which arrived on Soviet ships. Fertilizers and miscellaneous and general cargoes made up the largest share of the total. No shipments of arms or ammunition were detected.

The destruction wrought by airstrikes disrupted imports of POL to North Vietnam. A Soviet tanker that arrived the third week of June with 10,000 tons of gasoline remained until 14 August. A tanker carrying 3,900 tons of gasoline was diverted to Shanghai, and a 10,000-ton shipment originally destined for North Vietnam was sent instead to consumers in Poland and Finland. Slightly less than 1,000 tons of POL arrived by sea, all in containers aboard dry cargo ships.

Apatite was shipped from Haiphong for the first time since August 1965, but the July total of seaborne exports was reduced to about one-half the monthly level of the first quarter because of declining coal shipments from bomb-damaged facilities at Cam Pha.

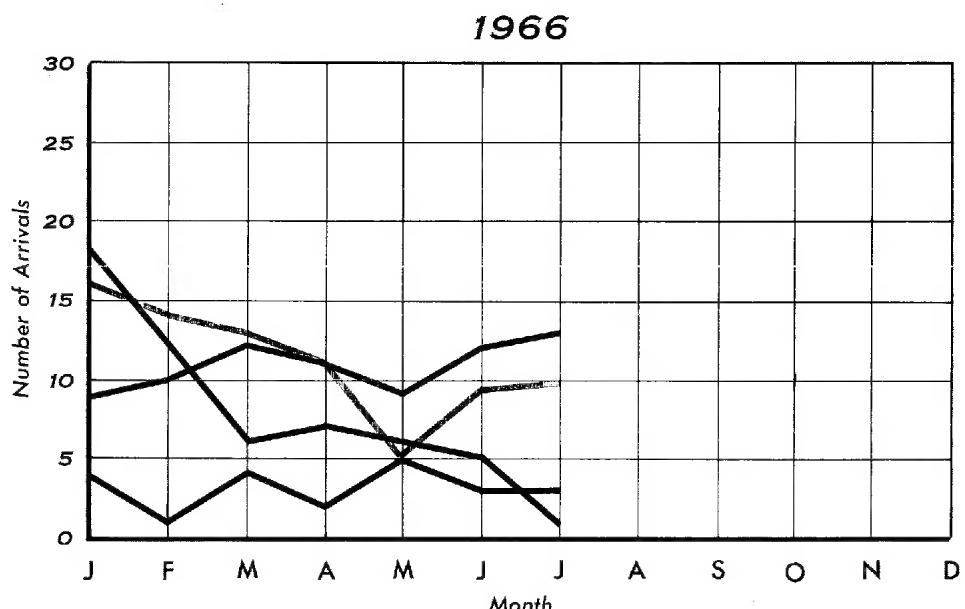
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Figure 1



North Vietnam: Foreign Ship Arrivals*

Monthly Average 1965 and January - July 1966



*Excluding one Cuban ship in January, 1966

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1. Communist Shipping

Twenty-six Communist-flag ships called at North Vietnam in July. Soviet ships predominated with a record total of 13 arrivals, all of which were dry cargo ships.* Ten of the Soviet ships, including one chartered by Vietfracht (North Vietnam's ship-chartering agency), arrived from Soviet ports and three Soviet ships charted to Vietfracht arrived from non-Soviet ports. These ships established a new record for Soviet dry cargo deliveries in a single month -- 61,900 tons -- and accounted for 76 percent of all non-POL cargoes identified aboard arriving foreign merchant ships. Although 12 of the 13 inbound Soviet ships carried cargoes, only 6 of the 12 Soviet ships that sailed from North Vietnam in July did so. Only two loaded cargoes for Soviet ports.

Ten Chinese Communist ships arrived at North Vietnam in July, all from Chinese ports. Cargo was identified aboard only two of the inbound Chinese ships, but substantial deliveries probably were made by all of the seven that sailed directly to Haiphong, the principal port for incoming cargoes. Seven Chinese ships, including four that had first called at Haiphong, sailed from the coal ports for China, presumably fully loaded with anthracite.

The three Polish-flag ships that called at North Vietnam in July were in liner service for the Polish Ocean Lines (PLO). One arrived with cargoes from European ports and two arrived from Japan en route to Europe. Contrary to reports that the bombing of POL depots near Haiphong harbor in June and July had prompted PLO officials to halt service to that port, Polish cargo liners are continuing to load for North Vietnam.

II. Free World Shipping

One Free World ship, a Hong Kong-owned British-flag ship under time charter to Communist China, called at North Vietnam in July bringing a cargo of sugar and gypsum from China. A French ship also called at Haiphong, but only to take on the bodies of French soldiers for return to their homeland.

Only 22,200 tons of commercial cargoes were carried by the Free World ships that sailed to and from North Vietnam in July. The transport of North Vietnam's seaborne trade by Free World ships in recent

* The previous high monthly total of 12 Soviet ships was attained three times: in January 1965 and in March and June 1966. In each case, tankers accounted for two of the total number of arrivals.

months has fallen to only a fraction of previous levels, both in terms of volume and as a share of total cargoes, as shown in the following tabulation:

		<u>Monthly Average</u>		
		<u>1965</u>	<u>January-June 1966</u>	<u>July 1966</u>
Seaborne trade	(Thousand tons)	200.8	187.3	151
Of which:				
Free World ships	(Thousand tons)	125.5	63.4	22.2
Percentage of world seaborne trade carried by Free World ships		63	34	15

Effective Free World restrictions on merchant ship sailings to North Vietnam, and the inability of North Vietnam to provide coal for export, are the principal reasons for the decline.

Desertions of crewmen unwilling to jeopardize their safety by sailing to North Vietnamese waters, despite double pay, remain as an occasional nuisance to Free World ships. To alleviate this problem, North Vietnamese officials recently offered to provide Vietnamese seamen to fill the vacancies in crews of Free World ships under charter to Vietfracht. There are, however, no indications that the offer has been accepted. With the obvious intent of encouraging foreign ships to continue trading with North Vietnam, Haiphong shipping officials recently have made unusual efforts to entertain officers and crewmen of visiting foreign merchant ships.

III. Cargoes

Foreign merchant ships carried about 151,000 tons of cargoes to and from North Vietnam in July, compared with an average monthly volume of 187,300 tons in the first half of the year.* Unusually large imports

* The comparison is made of volumes of cargoes detected aboard foreign merchant ships. These are believed to be quite complete for all but the Chinese Communist ships, for which only fragmentary cargo information is available. The volumes of coal shipments are largely estimates.

of fertilizer and general cargoes, supplemented by the first export shipments of apatite in nearly a year, were insufficient to offset the absence of tanker deliveries of POL and the dwindling exports of coal from Cam Pha. No shipments of arms or ammunition were detected.

Identified seaborne imports totaled 81,500 tons, slightly more than the monthly average for the first half of the year. These imports consisted mainly of 46,500 tons of miscellaneous and general cargoes and 27,700 tons of Soviet fertilizers, but also included 6,200 tons of bulk foodstuffs consisting of 2,200 tons of rice and 4,000 tons of Cuban sugar from Communist China. Most of the 46,500 tons of miscellaneous and general cargo imports originated in the USSR and Eastern Europe and included steel products from the USSR, trucks, tractors, and construction equipment from the USSR and Eastern Europe, and 3,000 tons of Chinese gypsum.(see Figures 2 and 3). No imports of timber or Chinese coking coal were detected.

Slightly less than 1,000 tons of POL arrived by sea in July, compared with a monthly average of 24,300 tons during January-May. The entire amount was shipped in containers aboard Soviet and Polish dry cargo ships. Shipments of packaged POL averaged 1,100 tons a month in the first half of this year. An additional 3,900 tons of POL was to have been delivered to North Vietnam in July by a Soviet tanker, but the tanker was diverted to Shanghai. The POL probably will be shipped by rail or coastal vessels to North Vietnam. Another Soviet tanker that loaded 10,000 tons of petroleum for North Vietnam at a Black Sea port early in July sailed instead to Baltic ports and delivered the POL to consumers in Poland and Finland. The diversions presumably were made because of the effects of US airstrikes on storage, handling, and transport facilities and perhaps because of a fear of additional strikes.

The Soviet tanker Komsomol, which arrived at North Vietnam in mid-June with 10,000 tons of gasoline, finally departed 8 weeks later.* There are indications that the Komsomol may have discharged a small portion of its cargo at Haiphong prior to the 29 June airstrike against the POL storage tanks there, although it was in the lower part of the harbor away from the oil pier during the strike. On 5 July, it was sighted at the Le Goeland anchorage (20 53 N 107 07 E) off Hon Gay where it remained until its departure. Photography of the Komsomol on 11 July shows that little, if any, of its cargo had been discharged up to that time. The destruction of much of North Vietnam's POL storage capacity shortly after the Komsomol's arrival, and the threat of

* Prior to May 1966, the discharge time for Soviet tankers at North Vietnam averaged about seven days.

additional airstrikes, required that the tanker be unloaded into small craft, which apparently began late in July. Although the North Vietnamese recently had used this procedure for discharging other Soviet tankers, discharge of the Komsomol probably was delayed by the confusion caused by the series of attacks on POL storage facilities. Four loaded 150-foot POL barges being towed away from the tanker were attacked and sunk on 12 August by US planes, and the Komsomol departed two days later. It is not known whether the tanker was fully discharged when it departed.

Seaborne exports from North Vietnam in July remained low with a total volume of only 69,500 tons, compared with average monthly exports of 137,000 tons in the first quarter of 1966. Lagging coal shipments accounted for all of the decline in export volume; seaborne exports of cement, pig iron, and miscellaneous commodities held steady. Although seaborne coal exports in July exceeded those of June, shipments from Cam Pha continued the decline apparent since April, as shown in the following tabulation:

	Thousand Metric Tons				
	Monthly Average January-March 1966	April	May	June	July
Seaborne coal exports	<u>127.1</u>	<u>82.9</u>	<u>56.6</u>	<u>42.5</u>	<u>45.1</u>
From Cam Pha	118.0	72.3	36.7	26.8	21.7
From Hon Gay	9.1	10.6	19.9	15.7	23.4

The reduction in shipments from Cam Pha is the result of damage inflicted on its coal-washing and grading plant by US airstrikes in April. Post-strike shipments of coal from that port have been made largely from previously accumulated stockpiles. Exports from Cam Pha will remain low until the coal-washing plant is repaired.

Japanese importers have shown considerable concern over North Vietnam's inability to provide anthracite in the desired volumes and grades and are seeking supplementary suppliers. North Vietnam's coal shipments to Japan have averaged 25,000 tons a month this year, compared with 46,900 tons a month in 1965. Of the 45,100 tons of coal exported by North Vietnam in July, 25,000 tons went to Japan and the rest to China.

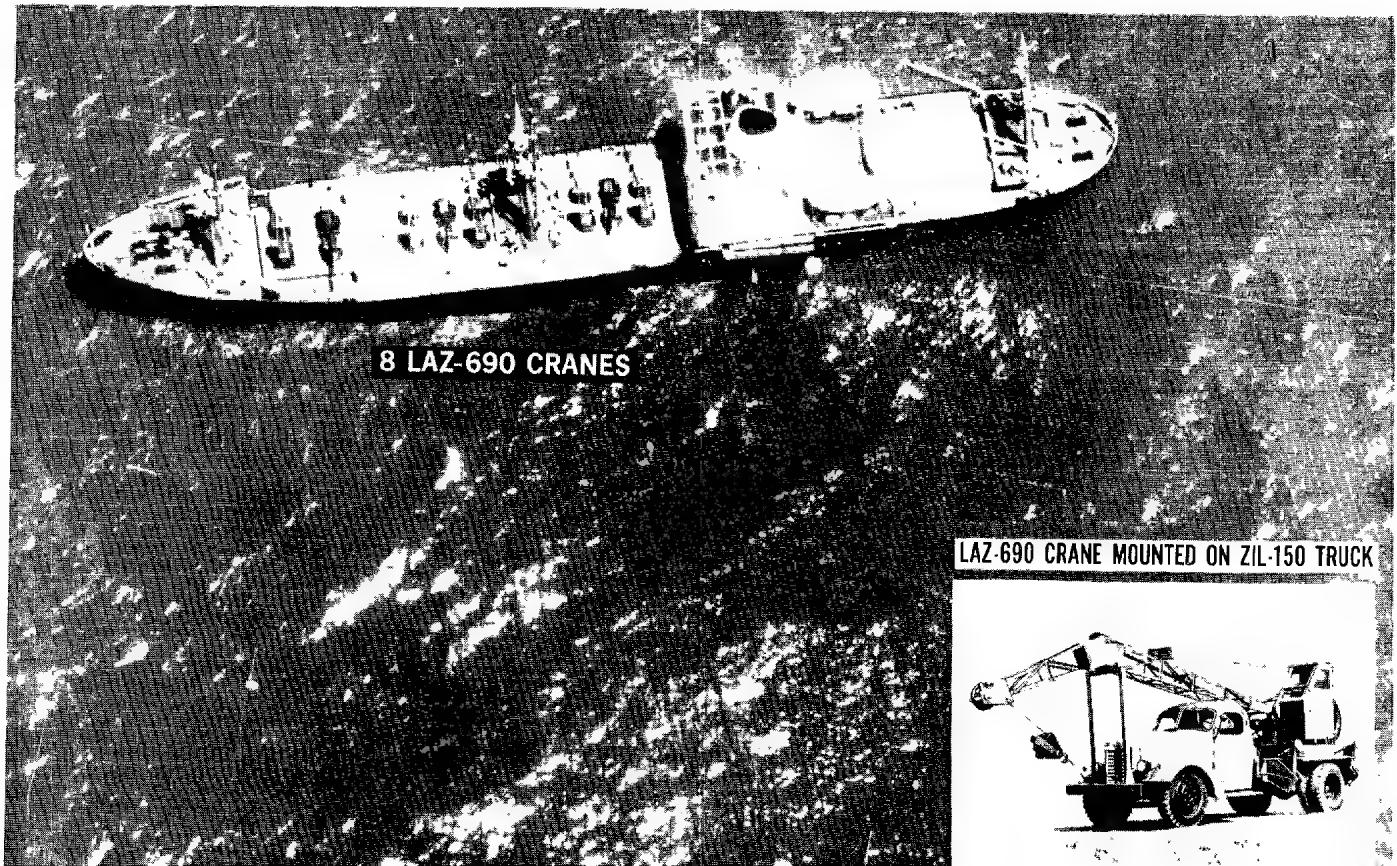


FIGURE 2. SOVIET MERCHANT SHIP SVIRSK WITH A DECK CARGO OF EIGHT LAZ-69 CRANES

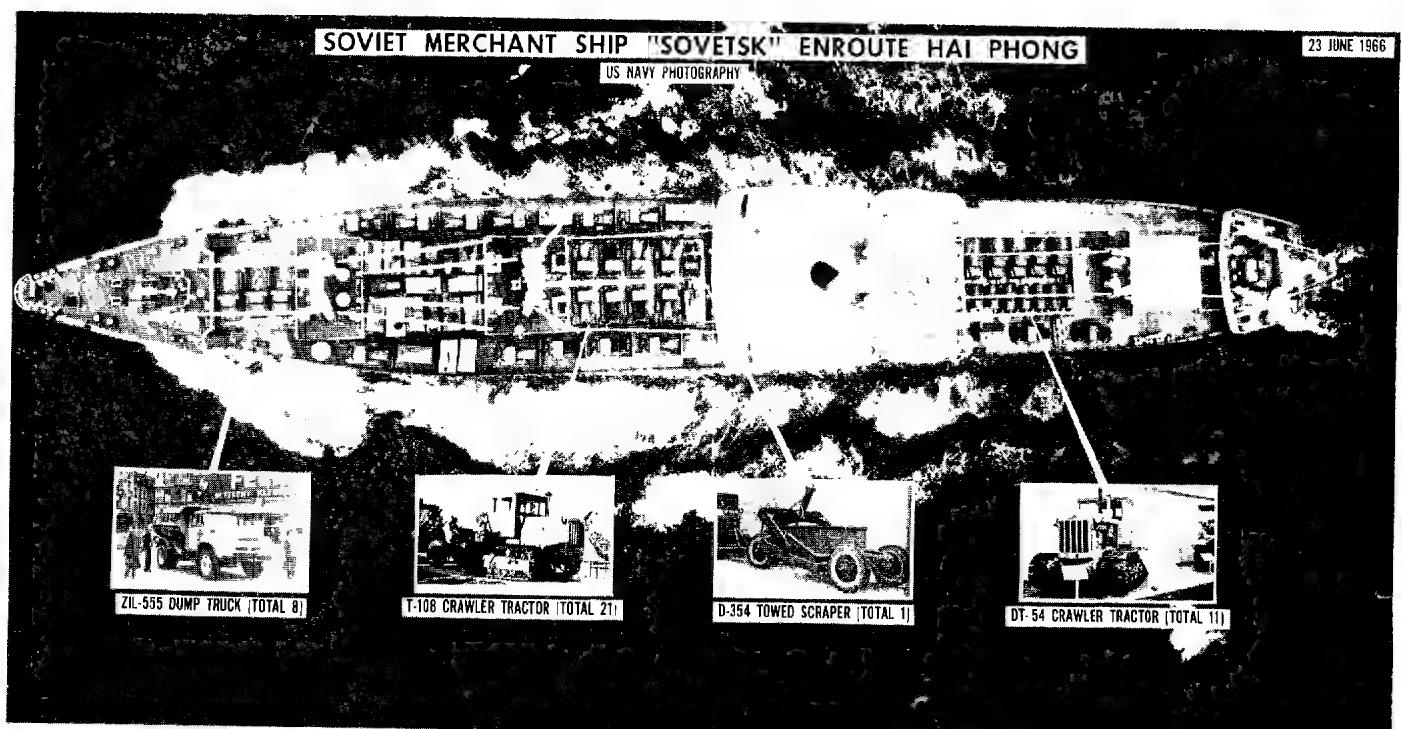


FIGURE 3. SOVIET MERCHANT SHIP SOVETSK WITH A DECK CARGO OF TRUCKS, TRACTORS, AND CONSTRUCTION EQUIPMENT

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Apatite appeared on the list of seaborne exports in July for the first time since August 1965. Seaborne shipments of apatite averaged 43,800 tons a month in the first half of 1965, but ceased following the interdiction of the rail line connecting the mines at Lao Cai with Haiphong, although stockpiles of apatite were accumulated at Haiphong during periods when the line was open. North Korea took 7,900 tons in July and 2,500 tons were loaded for Communist China. Both countries had been among the principal importers of North Vietnam's apatite before the supply was cut off.

Cargo operations at Haiphong were seriously hampered during July by frequent air raid alarms that sent port workers to shelters. These frequent interruptions and the exceptional volume of incoming cargoes caused many of the Soviet merchant ships that arrived in June and July to be tied up for three or four weeks. Under normal conditions they could expect to clear the port within ten days of their arrival. Incoming cargoes jammed the port and overflowed into surrounding areas, indicating that transport facilities out of Haiphong may have been overtaxed.

Table 1

North Vietnam: Foreign-Flag Ship Arrivals at North Vietnam a/
July 1966 and January-July 1966

Flag	July 1966		January-July 1966	
	Number	Percent	January	Percent
Total	<u>27</u>	<u>100.0</u>	<u>232</u>	<u>100.0</u>
Communist countries	<u>26</u>	<u>96.3</u>	<u>177</u>	<u>76.3</u>
USSR	13	48.1	76	32.8
Eastern Europe	3	11.1	22	9.5
Bulgaria			3	1.3
Poland	3	11.1	19	8.2
Communist China	10	37.0	78	33.6
Cuba			1	0.4
Free World	<u>1 b/</u>	<u>3.7</u>	<u>55 b/</u>	<u>23.7</u>
Cyprus			6	2.6
Greece			7	3.0
Italy			1	0.4
Malta			2	0.9
United Kingdom	1	3.7	39	16.8

a. Because of rounding, components may not add to the totals shown.
b. This total does not include a French ship that called in July only
to pick up bodies of French soldiers for repatriation.

Table 2

North Vietnam: Tonnage of Foreign-Flag Ship Arrivals a/
July 1966 and January-July 1966

Flag	July 1966		January-July 1966	
	Number	Thousand Gross Register Tons	Number	Thousand Gross Register Tons
Total	<u>27</u>	<u>157.2</u>	<u>232</u>	<u>1,363.0</u>
Communist countries	<u>26</u>	<u>150.1</u>	<u>177</u>	<u>1,052.8</u>
USSR	13	97.9	76	556.4
Eastern Europe	3	18.9	22	161.6
Communist China	10	33.3	78	325.1
Cuba			1	9.7
Free World	<u>1</u>	<u>7.1</u>	<u>55</u>	<u>310.2</u>

a. Many Soviet and Eastern European ships calling at North Vietnamese ports pick up or discharge only small parts of their total cargoes in North Vietnam, and many of the Free World ships only pick up export cargoes. For this reason, with the possible exception of Chinese Communist ships, aggregate tonnage of ships calling is not closely correlative to actual volume of cargoes moving into and out of North Vietnam, but these data are of value as indications of relative changes in the volume of shipping.

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Table 3

North Vietnam: Identified Imports Carried by Foreign-Flag Ships a/
July 1966

Flag	Commodity				Total
	Ammonium Sulfate and Other Fertilizers	Petroleum	Bulk Foodstuffs	Miscel- laneous	
Total	<u>27.7</u>	<u>0.96</u>	<u>6.2</u>	<u>46.5</u>	<u>81.5</u>
Communist countries	<u>27.7</u>	<u>0.96</u>	<u>2.2</u>	<u>43.5</u>	<u>74.5</u>
USSR	27.7	0.95		33.2	61.9
Eastern Europe		0.01		8.4	8.4
Communist China b/			2.2	1.9	4.2
Free World	0	0	<u>4.0</u>	<u>3.0</u>	<u>7.0</u>

a. Identified imports include some estimates of bulk cargoes, using methods which have proved to be highly reliable. Because of rounding, components may not add to the totals shown.

b. An additional unknown quantity of imports may have been carried by Chinese Communist ships.

Table 4

North Vietnam: Identified Exports Carried by Foreign-Flag Ships a/
July 1966

Flag	Commodity					Total
	Coal	Apatite	Cement	Pig Iron	Miscellaneous	
Total	<u>45.1</u>	<u>10.4</u>	<u>7.8</u>	<u>1.0</u>	<u>5.3</u>	<u>69.5</u>
Communist countries	<u>35.1</u>	<u>7.9</u>	<u>7.8</u>	<u>0</u>	<u>3.6</u>	<u>54.4</u>
USSR	15.0		5.6		1.6	22.1
Eastern Europe		7.9	2.2		2.0	12.1
Communist China b/	20.1					20.1
Free World	<u>10.0</u>	<u>2.5</u>	<u>0</u>	<u>1.0</u>	<u>1.7</u>	<u>15.2</u>

a. Identified exports include some estimates of bulk cargoes, using methods which have proved to be highly reliable. Because of rounding, components may not add to the totals shown.

b. An additional unknown quantity of exports may have been carried by Chinese Communist ships.

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